

Q1

Mammoth Lakes In Brief

Gross receipts for Mammoth Lake's January through March sales were 25.4% lower than the same quarter one year ago. Actual sales activity was down 26.2% after accounting anomalies were factored out.

Lower fuel prices cut revenues from the fuel/service station group. The town experienced a decline in sales of lumber/building materials, several categories of general consumer goods and the restaurants & hotels group. A business closeout contributed to lower returns from restaurants with liquor service. Onetime accounting events that inflated last year's receipts overstated losses from business/industry, home furnishings and restaurants with no alcohol.

Payment anomalies in both periods skewed the comparison for sporting goods. Results actually dropped 24.1%.

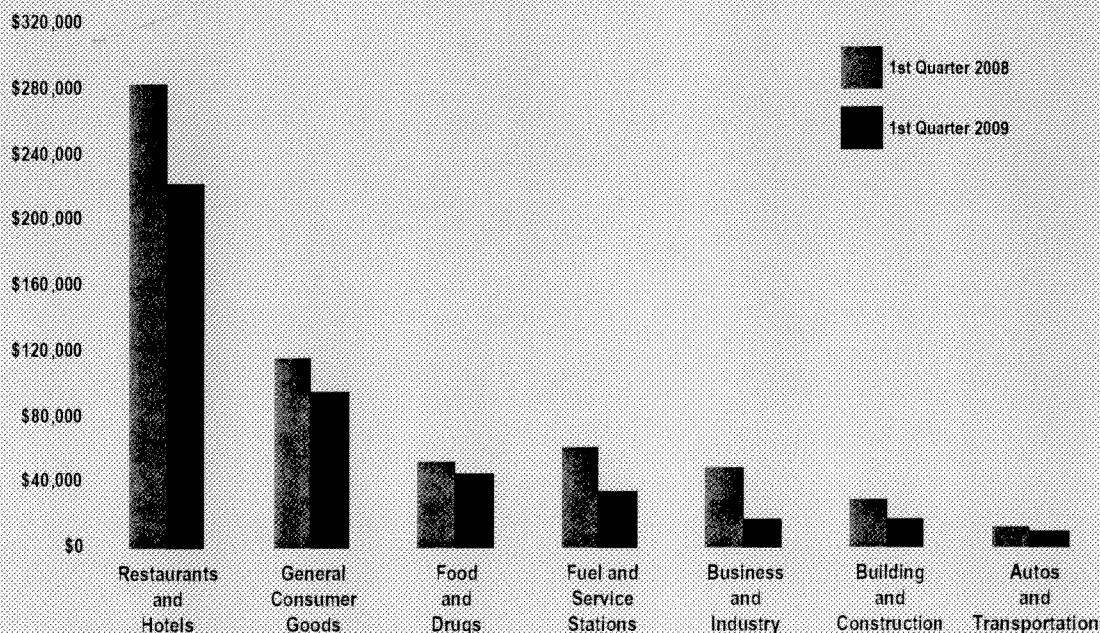
Adjusted for reporting aberrations, taxable sales for all of Mono County decreased 26.2% over the same period; the state as a whole was down 16.5%.



Mammoth Lakes Sales Tax Update

Second Quarter Receipts for First Quarter Sales (Jan-Mar 2009)

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

Amerigas Propane	Mammoth Chevron
Angels Restaurant	Mammoth Mountaineering Supply
Auld Dubliner	Mammoth Shell Mart
Chart House	Polo Ralph Lauren
Coach	Restaurant Lulu
Footloose Sports	Rite Aid
Giovannis Restaurant	Robertos Mexican Cafe
High Country Lumber & Bldg Supply	Van Heusen
Kassbohrer All Terrain Vehicle	Vons
Kittredge Sports	Wave Rave Snowboard Shop
Lakanuki Bar & Cafe	Whiskey Creek
Lumber City	Whitebark Restaurant & Bar
Main Lodge	

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2007-08	2008-09
Point-of-Sale	\$1,852,757	\$1,602,478
County Pool	373,499	315,773
State Pool	1,069	923
Gross Receipts	\$2,227,324	\$1,919,173
Less Triple Flip*	\$(556,831)	\$(479,793)
Gross Trans. Tax	\$0	\$428,489

*Reimbursed from county compensation fund

California Overall

Statewide sales tax revenues continued to trend downward for the seventh consecutive quarter with June's allocations for sales occurring in the January through March period 16.5% lower than the same period one year ago.

The contraction was experienced in all regions with previous holdouts such as the Silicon Valley and some pockets of high end tourism now exhibiting the same percentage decreases as the rest of California. The drop in tax receipts resulted as much from significant price reductions as it did from reduced consumer spending and business investment.

Excluding accounting aberrations, the most severe impact was from a 38.3% decline in fuel and service station receipts reflecting the dramatic retreat from last year's record fuel prices and lower consumption.

The allocations from new car sales dropped another 28.3% from the first quarter of 2008 while revenues from traditional department stores, furniture stores and building materials all exhibited reductions of 20% or more. Sales and use tax revenues are projected to continue to decline through the remainder of 2009 although subsequent reductions should become increasingly moderate. The beginning of a recovery for most regions and categories is not anticipated until mid-2010.

Additional Use Tax Options

The state's budget deliberations include provisions for more aggressive collection of unpaid use tax. Sellers without physical nexus in the state are not required to collect sales tax from their California customers. In these cases the buyer is liable for paying a corresponding "use tax."

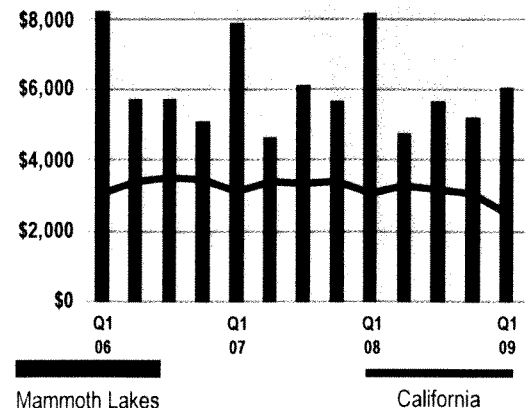
Although the state does an effective job of auditing larger companies, cost and lack of data make monitoring of taxes paid on purchases by individuals and small companies impractical.

Two actions are being considered to partially deal with this problem. The first is to require non-sellers to register with the Board of Equalization and file annual returns on unpaid use tax. As professional tax preparers are obligated to properly report purchases, the state estimates that the proposal would generate an additional \$57 million per year by 2009-2010.

The second action involves a practice enacted by the State of New York that expands the definition of "nexus" to include companies that pay commissions on sales referrals from New York based web sites or affiliates that advertise their products. It is estimated that a similar definition in California could generate up to \$110 million per year. Both actions would also increase city and county collections.

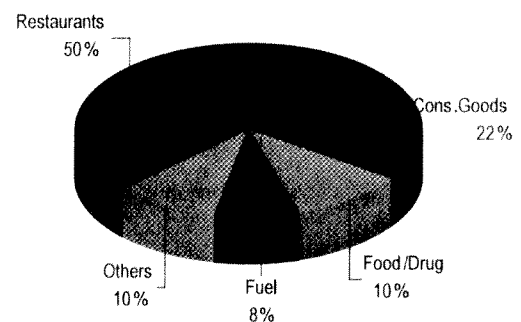
Amazon.com recently lost a court challenge to the New York law and has threatened to drop its affiliates to avoid losing the competitive advantage of not having to collect and pay sales tax. California's governor has also indicated his opposition.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP

Mammoth Lakes This Quarter



MAMMOTH LAKES TOP 15 BUSINESS TYPES

Business Type	Mammoth Lakes		HdL. State
	Q1 '09	Change	Change
Hotels-Liquor	\$100,118	-20.5%	-20.3%
Restaurants Liquor	65,405	-27.1%	-2.2%
Sporting Goods/Bike Stores	43,687	5.6%	-6.5%
Restaurants Beer And Wine	41,340	-13.6%	-9.8%
Grocery Stores Liquor	— CONFIDENTIAL —		-1.8%
Service Stations	24,019	-39.6%	-35.3%
Family Apparel	23,917	-21.3%	-7.6%
Restaurants No Alcohol	15,121	-21.8%	-2.7%
Drug Stores	— CONFIDENTIAL —		-4.5%
Lumber/Building Materials	12,776	-40.7%	-22.6%
Repair Shop/Hand Tool Rentals	12,151	-62.8%	-12.6%
Fuel/Ice Dealers	10,679	-50.6%	-38.0%
Specialty Stores	6,502	-9.3%	-7.9%
Home Furnishings	6,036	-51.6%	-21.1%
Art/Gift/Novelty Stores	3,865	-11.2%	-16.8%
Total All Accounts	\$440,904	-27.0%	-17.6%
County & State Pool Allocation	62,100	-10.6%	
Gross Receipts	\$503,004	-25.4%	